

BACKGROUND

GERMAN REACTION TO AUSTRIAN DEVELOPMENTS

- I. On 14 Apr, Chancellor Adenauer responded Soviet-Austrian negotiations by reaffirming his policies. His press chief remarked that the Paris treaties could be amended if a situation arose leading to German unification.
 - A. On same day, one of Adenauer's Bundestag leaders expressed great concern at possible impact of Austrian settlement. He stated belief that neutralism would arise which government would find hard to counter.
 - B. Government's general position is that neutrality is not the road to security, and that if a firm position is maintained, the Soviet Union will still negotiate when it feels it can benefit.

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II. Free Democratic leader Dehler, who has

often been antagonistic to Adenauer's foreign policies, said on 15 Apr that Bonn would be ill-advised to follow Austria's pledge of neutrality.

A. Dehler's press service has been saying that a "third way" must be found between the two extremes: no unification or neutralism.

III. On 15 Apr, Social Democratic leader Heine urged new four-power negotiations.

A. He said the prerequisite for these was renunciation of "bloc policy" of Paris treaties. Heine believes, however, that the German situation is quite different from the Austrian.

IV. Newspapers generally have adopted a hopeful but unemotional attitude. Express hope that Austrian developments mean a fundamental change in Soviet policy, but are not beating drum for a neutralized Germany.

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